

Technology Development Grant (NEW for 2010/11)

Key features

- Technology development grants will support firms that already have a good track record in R&D and which spend a significant proportion of their revenue on research – firms with high R&D intensity.
- The grant reimburses 20 per cent of eligible expenditure on a business's R&D programme, up to \$2.4 million a year.
- Grants will be awarded for three years, after which a business will have to reapply for a grant alongside other businesses.
- Applications for the grant will be welcomed from 1 October 2010.
- For the investment round opening on 1 October 2010, we have \$22.5 million available for investments.
- The amount of information we require from businesses to apply for funding will be less than for other TechNZ products – the investment application for the grant will have a 'light touch'.
- The Foundation expects to run one investment round each year and call for applications from eligible businesses. Businesses will be informed when applications can be submitted and what information we require of them prior to 1 October 2010.

Eligibility

- Eligible businesses must have an average R&D intensity (eligible R&D expenditure divided by revenue) of five per cent or more over the past three years.
- Eligible businesses must have average revenues of at least \$3 million a year over the past three years.
- Eligible businesses must be a person or an entity that is in business and resident in New Zealand (similar to the entity rules for other TechNZ products).
- To determine what 'eligible R&D' and 'eligible expenditure' means, we will use the New Zealand Equivalent to International Accounting Standard 38 (NZ IAS 38). This standard is already being used widely by businesses. Eligible expenditure will be limited to R&D expenditure recognised as an expense through the Statement of Financial Performance.
- We will expect eligible businesses to provide either audited financial statements or financial statements certified by a chartered accountant to demonstrate they have met the eligibility requirements for R&D intensity and revenue floor.

What sort of applications are we looking for?

- Successful applicants will be able to demonstrate that they:
 - have a successful track record in delivering and exploiting R&D
 - aspire to grow through investing in R&D
 - have a programme of R&D likely to generate benefit to New Zealand.
 - there will be an emphasis on the track record of the businesses.

What will the investment process look like?

- For the Technology Development Grant, the Foundation will run one investment round each year and call for applications from eligible businesses. Businesses will be informed prior to this about when applications can be submitted and what information we require from them.
- We will use an independent panel of external experts to help us assess applications.
- The Foundation will provide more detail on the investment process prior to 1 October 2010. We will set out the process, what information we require from companies and how we will assess the applications.
- Further operational details on how the development grant will work will be available over coming months. In the meantime, email your queries to technz@frst.govt.nz

Want more information?

To find out more about how TechNZ supports businesses, visit www.technz.co.nz. If you've worked with a TechNZ Investment Manager before, please contact them in Auckland (09 912 6730), Wellington (04 917 7800) or Christchurch (03 963 2070).